REMARKS

Claims 1-15 were previously pending, of which claims 1-5, 8, and 13 have been amended and claim 16 has been added. Claims 1-16 are now currently pending. Applicant notes with appreciation the telephone interview provided by the Examiner on June 21, 2004. Reconsideration of this application in light of the above amendments and the following remarks is requested.

Rejections under 35 U.S.C. § 103

Claims 1-15 stand rejected as being obvious over USP 5,583,864 (Lightfoot) and USP 5,721,827 (Logan). With respect to the claims as herein amended, this rejection is respectfully traversed.

Claim 1 requires "establishing, by a distributor of the software, a predetermined event prior to providing the software." It is submitted that this step is not disclosed in the cited references. Logan teaches a system in which "program segments sent to each subscriber may include advertising materials which the *user can selectively play* to obtain credits against the subscriber fee." (Abstract, emphasis added) Lightfoot teaches that a parent might assign a PIN to prevent material deemed unsuitable for young children to view. (col. 17, lines 10-15). Also, Lightfoot teaches other subscriber-chosen options such as "Hours of Service." (col. 17, lines 60-65).

Claim 8 requires a software to have two "aspects" that are treated differently. The term "aspect" is described and discussed in the patent application as originally filed. *See e.g., page. 31, lines 18-27.* None of the cited reference even suggest such a feature. Furthermore, the step of "allowing the second aspect of the software to be used" means that different features of the software can be used, as desired. Child locks on software (such as having a "PG" movie rating limit) are part of the software, and using a child lock on a software is using a particular feature of the software.

Claim 13 requires the advertisements to be "automatically" updated through the network. It is submitted that this step is not disclosed in the cited references. Logan teaches a system in which the amount of advertisements are provided in response to a selection by the user/subscriber. (col. 7, lines 60-65) At the end of each "session", the subscriber can initiate a

next programming download. (col. 7, lines 65 – col. 8, line 10). Lightfoot provides commercials when a user/subscriber selects a pay-per-view movie. (col. 9, lines 15-31).

Conclusion

      The Examiner is invited to telephone the undersigned at the below listed telephone number, should he have any questions or comments regarding the response.

Respectfully submitted,

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On   6-23-04

Bonnie Boyle